

State of Idaho

Legislative Services Office

Individual Entity Audit Report

A communication to the Joint Finance-Appropriations Committee

CENTRAL DISTRICT HEALTH DEPARTMENT (IV)

FY 2008-2009

Report OP95409
Date Issued: June 14, 2010

Serving Idaho's Citizen Legislature



Idaho Legislative Services Office
Legislative Audits Division

Don H. Berg, Manager

CENTRAL DISTRICT HEALTH DEPARTMENT (IV)

SUMMARY

PURPOSE OF AUDIT REPORT

We have audited the financial statements of the Central District Health Department (IV) for the fiscal years ended June 30, 2008 and 2009, in accordance with auditing standards generally accepted in the United States of America. The purpose of our audit is to determine whether the District's financial statements are materially accurate and reliable, and that it complied with laws and regulations affecting fiscal operations.

CONCLUSION

We conclude that the District's financial statements are materially accurate and reliable, and fiscal operations materially comply with related laws and regulations. As a result, we issued an unqualified opinion on the District's financial statements.

FINDINGS AND RECOMMENDATIONS

There are no findings and recommendations in this report.

PRIOR FINDING AND RECOMMENDATION

There was one finding and recommendation in the prior report. The complete prior finding and recommendation status is detailed on page 28.

Prior Finding 2007S-1 – Internal control weaknesses exist in the process for preparing the financial statements and note disclosures. Status: **CLOSED**

A copy of this report is available online at: <http://www.legislature.idaho.gov/audit>.

AGENCY RESPONSE

The District has reviewed the report and is in general agreement with its contents.

OTHER INFORMATION

We discussed other issues which, if changed, would improve internal control, compliance, and efficiency.

This report is intended solely for the information and use of the State of Idaho, the Central District Health Department (IV) and the District's Board, and is not intended to be used by anyone other than these specified parties.

We appreciate the cooperation and assistance given to us by the director, Russell Duke, and his staff.

ASSIGNED STAFF

Eugene Sparks, CPA, CGFM, Managing Auditor

Patrick Aggers, CPA, In-Charge Auditor

Shannon Thomas, Staff Auditor

Kyle Wilmot, Staff Auditor

TABLE OF CONTENTS

Independent Auditor's Report – Unqualified Opinion on Basic Financial Statements.....	1
---	---

Basic Financial Statements

Statement of Net Assets.....	3
Statement of Activities	4
Balance Sheet – Governmental Fund and Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets	5
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds and Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities.....	6
Notes to Financial Statements.....	7

Required Supplementary Information

Schedule of Revenues and Expenditures – Budget to Actual – Governmental Fund	14
Note to Required Supplementary Information.....	16

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17
---	----

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with <i>OMB Circular A-133</i>	19
--	----

Schedule of Expenditures of Federal Awards.....	21
---	----

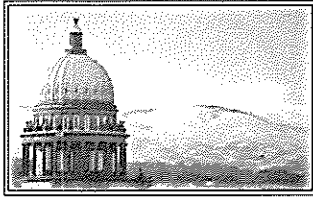
Notes to Schedule of Expenditures of Federal Awards	25
---	----

Schedule of Findings and Questioned Costs.....	26
--	----

Agency Response.....	27
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Prior Finding and Recommendation	28
--	----

Appendix.....	29
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Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

Jeff Youtz
Director

June 14, 2010

Unqualified Opinion on
Basic Financial Statements

Independent Auditor's Report

Russell Duke, Director
Central District Health Department (IV)
707 N. Armstrong Place
Boise, ID 83704

Steven F. Scanlin, Chairman
District IV Board of Health
P.O. Box 2631
Boise, ID 83701-2631

Dear Mr. Duke and Mr. Scanlin:

We have audited the accompanying basic financial statements of the governmental activities, major fund, and the remaining fund information of the Central District Health Department (IV), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the remaining fund information of the District as of June 30, 2008 and 2009, and the respective changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over

Mike Nugent, Manager
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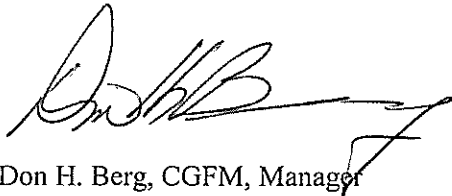
financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered when assessing the results of our audit.

The District has not presented the Management Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The budgetary comparison information on pages 14 and 15 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by *OMB Circular A-133*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sincerely,

A handwritten signature in black ink, appearing to read 'Don H. Berg', with a long horizontal flourish extending to the right.

Don H. Berg, CGFM, Manager
Legislative Audits Division

STATE OF IDAHO
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2008 AND 2009

	June 30, 2008 Governmental Activities	June 30, 2009 Governmental Activities
ASSETS		
Cash	\$71,458	\$112,423
Investments	1,348,007	1,634,567
Grant and Contract Receivables	561,791	362,265
County Contribution Receivables	458,547	476,819
Accounts Receivable	323,161	218,917
Prepaid Expense	15,927	3,217
Capital Assets:		
Non-depreciable	284,110	284,110
Depreciable, net	3,806,952	3,543,890
Total Assets	<u>\$6,869,953</u>	<u>\$6,636,208</u>
LIABILITIES		
Accounts Payable	\$44,494	\$28,956
Unearned Revenue	251,211	26,260
Payroll and Benefits Payable	319,326	301,194
Compensated Absences - Due Within One Year	470,640	393,983
Total Liabilities	<u>\$1,085,671</u>	<u>\$750,393</u>
NET ASSETS		
Invested in Capital Assets Net of Related Debt	\$4,091,062	\$3,828,000
Unrestricted	1,693,220	2,057,815
Total Net Assets	<u>\$5,784,282</u>	<u>\$5,885,815</u>

The accompanying notes are an integral part of these financial statements.

STATE OF IDAHO
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2008 AND 2009

<u>FY 2008</u>		PROGRAM REVENUE		Net (Expenses) Revenues and Changes in Net Assets
Programs	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Board of Health	\$33,857	\$14,160	\$0	(\$19,697)
Administration	721,606	0	6,147	(715,459)
Community Health Services/Education	8,316,040	1,842,499	4,764,837	(1,708,704)
Environmental Health	1,693,207	644,626	198,134	(850,447)
General Support Services	1,678,443	0	8,249	(1,670,194)
Total Governmental Activities	<u>\$12,443,153</u>	<u>\$2,501,285</u>	<u>\$4,977,367</u>	<u>(\$4,964,501)</u>
General Revenues:				
State Appropriation				\$2,407,700
Interest Income				87,707
County Contributions				1,832,239
Total General Revenue				<u>\$4,327,646</u>
Change in Net Assets				<u>(\$636,855)</u>
Beginning Net Assets				<u>6,421,137</u>
Ending Net Assets				<u>\$5,784,282</u>

<u>FY 2009</u>		PROGRAM REVENUE		Net (Expenses) Revenues and Changes in Net Assets
Programs	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Board of Health	\$20,647	\$0	\$1,942	(\$18,705)
Administration	697,913	1,403	1,401	(695,109)
Community Health Services/Education	7,450,191	1,750,374	4,484,216	(1,215,601)
Environmental Health/Emer. Prepare.	1,556,202	601,926	232,071	(722,205)
General Support Services	1,523,687	2,946	4,369	(1,516,372)
Total Governmental Activities	<u>\$11,248,640</u>	<u>\$2,356,649</u>	<u>\$4,723,999</u>	<u>(\$4,167,992)</u>
General Revenues:				
State Appropriation				\$2,351,700
Interest Income				30,660
County Contributions				1,887,165
Total General Revenue				<u>\$4,269,525</u>
Change in Net Assets				<u>\$101,533</u>
Beginning Net Assets				<u>5,784,282</u>
Ending Net Assets				<u>\$5,885,815</u>

The accompanying notes are an integral part of these financial statements.

STATE OF IDAHO
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)
BALANCE SHEET
GOVERNMENTAL FUND
AS OF JUNE 30, 2008 AND 2009

	June 30, 2008 Special Revenue Fund	June 30, 2009 Special Revenue Fund
ASSETS		
Cash	\$71,458	\$112,423
Investments	1,348,007	1,634,567
Grant and Contract Receivables	561,791	362,265
County Contribution Receivables	458,547	476,819
Accounts Receivable	323,161	218,917
Prepaid Expense	15,927	3,217
Total Assets	<u>\$2,778,891</u>	<u>\$2,808,208</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payable	\$44,494	\$28,956
Deferred Revenue	159,655	137,612
Unearned Revenue	251,211	26,260
Payroll and Benefits Payable	319,326	301,194
Total Liabilities	<u>\$774,686</u>	<u>\$494,022</u>
Fund Balance		
Reserved for:		
Prepaid Items	\$15,927	\$3,217
Unreserved Special Revenue Fund	1,988,278	2,310,969
Total Fund Balance	<u>\$2,004,205</u>	<u>\$2,314,186</u>
Total Liabilities and Fund Balance	<u>\$2,778,891</u>	<u>\$2,808,208</u>

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

Total Fund Balances for Governmental Funds	\$2,004,205	\$2,314,186
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Deferred revenue that is earned but will probably not be received in the near-term is not used in governmental activities and is, therefore, not included in the funds.	159,655	137,612
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.	4,091,062	3,828,000
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds. This consists of compensated absences.	<u>(470,640)</u>	<u>(393,983)</u>
Net Assets of Governmental Activities	<u>\$5,784,282</u>	<u>\$5,885,815</u>

The accompanying notes are an integral part of these financial statements.

STATE OF IDAHO
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2009

	Year Ended June 30, 2008			Year Ended June 30, 2009		
	Special Fund	Non-Major Millennium Fund	Total Governmental Funds	Special Fund	Non-Major Millennium Fund	Total Governmental Funds
REVENUES						
Health and Professional Services	\$2,566,273	\$0	\$2,566,273	\$2,308,078	\$0	\$2,308,078
Interest	87,707	0	87,707	30,660	0	30,660
Federal Grants	4,075,902	0	4,075,902	3,829,708	0	3,829,708
State Grants	181,797	0	181,797	205,739	0	205,739
City/County Grants	1,937,959	0	1,937,959	1,948,161	0	1,948,161
Contributions/Donations	504,616	0	504,616	516,097	0	516,097
General Fund Support	2,407,700	103,000	2,510,700	2,351,700	103,800	2,455,500
Miscellaneous Revenue	6,333	0	6,333	78,273	0	78,273
Total Revenues	\$11,768,287	\$103,000	\$11,871,287	\$11,268,416	\$103,800	\$11,372,216
EXPENDITURES						
Current						
Board of Health	\$33,849	\$0	\$33,849	\$20,717	\$0	\$20,717
Administration	720,743	0	720,743	703,470	0	703,470
Community Health Services/Education	8,205,597	103,000	8,308,597	7,394,975	103,800	7,498,775
Environmental Health	1,690,948	0	1,690,948	1,569,819	0	1,569,819
General Support Services	1,484,410	0	1,484,410	1,269,454	0	1,269,454
Capital Outlay	81,898	0	81,898	0	0	0
Total Expenditures	\$12,217,445	\$103,000	\$12,320,445	\$10,958,435	\$103,800	\$11,062,235
Excess (Deficiency) of Revenues Over Expenditures -						
Net Change in Fund Balance	(\$449,158)	\$0	(\$449,158)	\$309,981	\$0	\$309,981
Beginning Fund Balance	2,453,363	0	2,453,363	2,004,205	0	2,004,205
Ending Unreserved Fund Balance	\$2,004,205	\$0	\$2,004,205	\$2,314,186	\$0	\$2,314,186

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

	FY 2008	FY 2009
Net Change in Fund Balances for Total Governmental Funds	(\$449,158)	\$309,981
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, these costs are allocated as depreciation expense. Depreciation, including a loss on disposal in FY 09, exceeded capital outlays by the following amounts:		
	FY 08	FY 09
Capital Outlay	\$81,898	\$0
Depreciation Expense	(192,670)	(188,837)
Loss on disposal	0	(74,225)
	(\$110,772)	(\$263,062)
Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.	(64,989)	(22,043)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This requires an adjustment for compensated absences.	(11,936)	76,657
Change in Net Assets of Governmental Activities	(\$636,855)	\$101,533

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The District is not a State agency. In determining how to define the District for financial reporting purposes, management has considered all potential component units in accordance with GASB Statements 14, as amended by GASB Statement 39. The legislature created seven health districts throughout the State in 1970. In 1976, the legislature expressed specific intent that the districts were not to be considered State agencies, but were to be recognized as authorized governmental entities. Although the districts are not State agencies, all districts have opted to process their financial transactions through the State accounting system.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (e.g., Statement of Net Assets and Statement of Activities) report information on all activities of the District. These activities are financed through General Fund appropriations, county contributions, federal grants, contracts, and program revenues.

The Statement of Net Assets presents the District's assets and liabilities, with the difference reported as net assets. Net assets are reported in two categories:

- *Investments in Capital Assets Net of Related Debt* are capital assets, net of accumulated depreciation and reduced by related outstanding debt.
- *Unrestricted Net Assets* consist of net assets that do not meet the definition of the preceding category. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenue includes fees and charges paid by recipients of goods or services offered by the program. Appropriations, county contributions, interest income, and other items not meeting the definition of program revenues are reported as general revenue.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities are presented on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under governmental fund accounting, only current assets and current liabilities are generally included on the balance sheet. Revenues are recognized as they become susceptible to accrual, generally when they are both measurable and available. The District considers all revenues reported in the governmental funds to be available and susceptible to accrual if the revenues are collected within 60 days after the year end for sales of services, interest, federal grants, and contracts, or 90 days for county contributions. Expenditures are recorded when the liability is incurred, except for compensated absences, which are recognized as expenditures to the

extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

ASSETS, LIABILITIES, AND NET ASSETS

Cash

The District's primary governmental fund cash is considered to be cash on hand and on deposit with the State Treasurer's Office.

Investments

Investments are reported at fair value. Additional disclosure is identified in Note 2.

Receivables

The accounts receivable come from county contributions, federal grants, contracts, and client accounts.

Inventories and Prepaid Expenses

The District uses the purchase method of accounting for inventories. Expenditures made to vendors during the fiscal year that will benefit beyond June 30 of that year are considered prepaid expenses.

Capital Assets

Purchased capital assets are reported at cost. Assets donated or acquired at bargain purchase prices are reported at market value on the date of acquisition. Only capital assets with a value of \$5,000 or greater are capitalized. Depreciation is recorded using the straight-line method over the assets' estimated useful life as follows:

Equipment	3 – 30 years
Building/Improvements	10 – 50 years
Vehicles	5 – 10 years

Maintenance, repairs, and minor renewals are charged as operating expenses when incurred. When an asset is disposed of, accumulated depreciation is deducted from the original cost and any gain or loss arising from its disposal is credited or charged to operations.

Additional disclosures related to capital assets are provided in Note 5.

Accounts Payable

Payables in the government-wide financial statements consist primarily of short-term vendor obligations.

Unearned Revenue

Unearned revenue is recognized when cash is received prior to being earned.

Other Liabilities

Other liabilities consist of payroll and benefits payable.

Government-wide financial statements report long-term obligations as liabilities, with the portion payable within 12 months designated separately from the portion payable in more than 12 months. Long-term liabilities include compensated absences payable, which is vacation and compensatory time earned by employees but not paid.

Net Assets

Net assets include investments in capital assets net of related debt. Restricted assets, if any, are assets whose use is restricted by grantors, contributors, laws, or regulations. Unrestricted assets are assets that do not fall under the previous category.

REVENUES AND EXPENDITURES/EXPENSES

In the government-wide Statement of Activities, revenues and expenses are segregated by function. Additionally, revenues are classified as program or general revenues. Program revenues include charges to clients or applicants for services provided and certain grants and contributions. General revenues include General Fund appropriation, county contribution, and interest.

In the governmental fund financial statements, revenues are reported by source and expenditures are reported by function. The Special Revenue Fund is used to account for all the District's activities except tobacco cessation, which is accounted for in the Millennium Fund.

NOTE 2. CASH AND INVESTMENTS

The District participates in the State Treasurer's internal and external investment pools. The Idle Fund is an internal investment pool managed by the State Treasurer's Office on behalf of participants. Money not needed to meet immediate operating obligations is invested in accordance with Idaho Code. Participation in the pool is involuntary.

The District participates in the Local Government Investment Pool (LGIP) which is an external investment pool sponsored by the State Treasurer's Office. A copy of the State's *Comprehensive Annual Financial Report (CAFR)*, including the investment pool's financial statements, is available from the Office of the State Controller, Bureau of Reporting and Review.

Idaho Code, Sections 67-1210 and 67-1210A restrict the State Treasurer to certain types of investments.

Credit Ratings

In fiscal years 2008 and 2009, the LGIP was rated AAAs by Standard & Poor's ratings services.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the District's investments. The District does not have a formal policy to address interest rate risk.

The following schedule represents the District's investments in the external investment pools and the pools' weighted average maturities at June 30, 2008 and 2009:

<u>Local Government Investment Pool</u>		<u>Fair Value</u>	<u>Maturity</u>
June 30, 2008	LGIP	\$1,348,007	.2 years
June 30, 2009	LGIP	\$1,634,567	.2 years

The District does not have a separate formal investment policy.

NOTE 3. COMPENSATED ABSENCES

The District is not part of the State, but has decided to follow State rules on compensated absences. The District employee benefits include vacation and sick leave allowances. Overtime may be earned under provisions of the Fair Labor Standards Act and State law. Overtime is commonly referred to as "compensatory time" or "comp time" since employees may take time off for the accrued overtime. For the purposes of earning and accruing overtime there are three general classes of employees:

1. Those who earn overtime at 1.5 times regular pay rates and may be paid for the overtime or take time off.
2. Those who earn overtime at the same rate as regular pay rates and may only take time off.
3. Those ineligible for overtime.

Upon termination, the following accrued leave balances are paid:

1. Vacation leave
2. Overtime for those eligible for payment

As of June 30, 2008 and 2009, the following compensated absences have been accrued by employees of the District. These amounts are reported on the government-wide financial statements. A liability for the amount is reported in the governmental funds only if they have matured, for example, as a result of employee resignation or retirement. Compensated absences are paid from the District's main operating fund.

FY 2008	
<u>Changes to Compensated Absences</u>	
Beginning Balance July 2007	\$458,704
Increases	471,301
Decreases	<u>(459,365)</u>
Ending Balance June 30, 2008	<u>\$470,640</u>

The District estimates the amount due within one year is \$470,640.

FY 2009	
<u>Changes to Compensated Absences</u>	
Beginning Balance July 2008	\$470,640
Increases	402,413
Decreases	<u>(479,070)</u>
Ending Balance June 30, 2009	<u>\$393,983</u>

The District estimates the amount due within one year is \$393,983.

NOTE 4. PENSION PLAN

The Public Employee Retirement System of Idaho (PERSI) was created by the Idaho State Legislature and administers the PERSI Base Plan and the PERSI Choice Plan. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible State and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. PERSI's annual financial reports are available from PERSI.

The Base Plan is a cost-sharing, multiple-employer defined benefit retirement plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years

of service, age, and compensation. In addition, benefits are provided for disability or death and to survivors of eligible member or beneficiaries.

After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% of the average monthly salary for the highest consecutive 42 months.

The contribution requirement of the District and its employees are established and may be amended by the PERSI retirement board. For the period from July 1, 2007 to June 30, 2009, the required contribution rate as a percent of covered payroll was 6.23% for general members. The employer rate as a percentage of covered payroll was 10.39% for general members. The District contributions required and paid were \$537,201, \$570,381, and \$566,937 for the three years ended June 30, 2007, 2008, and 2009, respectively.

The PERSI Choice Plan is a defined contribution retirement plan. The defined contribution plan includes the 401(k) and the 414(k). Statutes governing the PERSI Choice Plan are found in Idaho Code, Title 59, Chapter 13. The 414(k) plan was established for gain sharing allocations from the PERSI Base Plan. The gain sharing amount, if any, is based on funding levels in the PERSI Base Plan.

The 401(k) plan is open to all active PERSI Base Plan members. Eligibility for the 414(k) gain sharing requires 12 months of active PERSI membership as defined in Idaho statutes and PERSI rules. The assets of the 401(k) and the 414(k) are comingled for investment and record keeping purposes. The other significant accounting policies are the same as the PERSI Base Plan.

Participants in the 414(k) can make tax deferred contributions up to 100% of their gross salary less deductions and subject to the IRS contribution limit. Participants direct their own investment mix without restriction, and may elect to change their deferral every pay period. For the audit period, no voluntary employer matching contributions have been made.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2008 and 2009 is as follows:

	Balances at July 1, 2007	Increases	Decreases	Balances at June 30, 2008
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$284,110	\$0	\$0	\$284,110
Total Capital Assets not being Depreciated:	<u>\$284,110</u>	<u>\$0</u>	<u>\$0</u>	<u>\$284,110</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	\$4,394,555	\$0	\$0	\$4,394,555
Improvements Other Than Buildings	210,062	0	0	210,062
Equipment	542,188	44,198	(49,833)	536,553
Vehicles	594,794	37,700	(9,418)	623,076
Total Capital Assets Being Depreciated	<u>\$5,741,599</u>	<u>\$81,898</u>	<u>(\$59,251)</u>	<u>\$5,764,246</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(\$1,060,921)	(\$102,675)	\$0	(\$1,163,596)
Improvements Other Than Buildings	(81,040)	(7,218)	0	(88,258)
Equipment	(402,049)	(43,873)	49,833	(396,089)
Vehicles	(279,865)	(38,904)	9,418	(309,351)
Total Accumulated Depreciation	<u>(\$1,823,875)</u>	<u>(\$192,670)</u>	<u>\$59,251</u>	<u>(\$1,957,294)</u>
Total Capital Assets Being Depreciated, Net	<u>\$3,917,724</u>	<u>(\$110,772)</u>	<u>\$0</u>	<u>\$3,806,952</u>
Governmental Activities Capital Assets, Net	<u>\$4,201,834</u>	<u>(\$110,772)</u>	<u>\$0</u>	<u>\$4,091,062</u>

	Balances at July 1, 2008	Increases	Decreases	Balances at June 30, 2009
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$284,110	\$0	\$0	\$284,110
Total Capital Assets Not Being Depreciated:	<u>\$284,110</u>	<u>\$0</u>	<u>\$0</u>	<u>\$284,110</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	\$4,394,555	\$0	\$0	\$4,394,555
Improvements Other Than Buildings	210,062	0	0	210,062
Equipment	536,553	0	(74,443)	462,110
Vehicles	623,076	0	(187,735)	435,341
Total Capital Assets Being Depreciated	<u>\$5,764,246</u>	<u>\$0</u>	<u>(\$262,178)</u>	<u>\$5,502,068</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(\$1,163,596)	(\$99,346)	\$0	(\$1,262,942)
Improvements Other Than Buildings	(88,258)	(7,219)	0	(95,477)
Equipment	(396,089)	(40,156)	63,335	(372,910)
Vehicles	(309,351)	(42,116)	124,618	(226,849)
Total Accumulated Depreciation	<u>(\$1,957,294)</u>	<u>(\$188,837)</u>	<u>\$187,953</u>	<u>(\$1,958,178)</u>
Total Capital Assets Being Depreciated, Net	<u>3,806,952</u>	<u>(\$188,837)</u>	<u>(\$74,225)</u>	<u>\$3,543,890</u>
Governmental Activities Capital Assets, Net	<u>\$4,091,062</u>	<u>(\$188,837)</u>	<u>(\$74,225)</u>	<u>\$3,828,000</u>

Depreciation is charged to General Support Services. In fiscal year 2008, depreciation was \$192,670, and in fiscal year 2009, depreciation was \$188,837.

In fiscal year 2009, a disposal loss of \$74,225 was the result of transferring a federal program to a new provider. Equipment and vehicles purchased with federal grant funds were transferred to the new provider at no cost. Details of the loss are as follows:

FY 2009 Loss on Disposal:

Vehicles	\$63,117
Equipment	<u>11,108</u>
Total:	<u>\$74,225</u>

The loss is considered immaterial and is charged to General Support Services.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF IDAHO
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
State	\$2,356,000	\$2,407,700	\$2,407,700	\$0
County	1,832,200	1,832,200	1,887,394	55,194
Contracts	3,979,000	4,658,700	4,414,776	(243,924)
Fees	2,622,000	2,679,035	2,587,148	(91,887)
Interest	110,000	110,000	87,707	(22,293)
Other	484,000	482,570	510,949	28,379
Reserve	30,000	171,500	0	(171,500)
Total Revenues	<u>\$11,413,200</u>	<u>\$12,341,705</u>	<u>\$11,895,674</u>	<u>(\$446,031)</u>

Reconciliation to GAAP Basis Revenues:

Increase in Grants Receivables	\$4,083
Decrease in Accounts Receivable	(70,050)
Decrease in County Contribution Receivable	(55,155)
Decrease in Deferred Revenue	(6,265)
	<u>\$11,768,287</u>

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Personnel Costs	\$8,255,700	\$7,957,170	\$7,927,466	\$29,704
Operating	3,129,500	4,282,635	4,153,418	129,217
Capital Outlay	28,000	101,900	120,385	(18,485)
Total Expenditures	<u>\$11,413,200</u>	<u>\$12,341,705</u>	<u>\$12,201,269</u>	<u>\$140,436</u>

Reconciliation to GAAP Basis Expenditures:

Decrease in Accounts Payable	(\$36,617)
Increase in Payroll Payable	45,776
Increase in Prepaid Expense	7,018
	<u>\$12,217,446</u>

The accompanying notes are an integral part of these financial schedules.

STATE OF IDAHO
CENTRAL DISTRICT HEALTH DEPARTMENT (IV)
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
State	\$2,531,600	\$2,420,300	\$2,351,700	(\$68,600)
County	1,887,166	1,887,166	1,868,893	(18,273)
Contracts	3,845,234	4,040,714	4,384,863	344,149
Fees	2,822,100	2,306,590	2,147,049	(159,541)
Interest	85,000	34,800	30,660	(4,140)
Other	568,900	532,555	523,755	(8,800)
Reserve	81,000	0	0	0
Total Revenues	<u>\$11,821,000</u>	<u>\$11,222,125</u>	<u>\$11,306,920</u>	<u>\$84,795</u>

Reconciliation to GAAP Basis Revenues:

Decrease in Grants Receivables	(\$199,526)
Decrease in Accounts Receivable	(104,244)
Increase in County Contribution Receivable	18,272
Increase in Deferred Revenue	246,994
	<u>\$11,268,416</u>

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Personnel Costs	\$8,536,800	\$8,121,505	\$8,036,218	\$85,287
Operating	3,284,200	3,084,620	2,943,177	141,443
Capital Outlay	0	16,000	0	16,000
Total Expenditures	<u>\$11,821,000</u>	<u>\$11,222,125</u>	<u>\$10,979,395</u>	<u>\$242,730</u>

Reconciliation to GAAP Basis Expenditures:

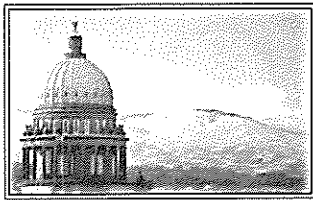
Decrease in Accounts Payable	(\$15,538)
Decrease in Payroll Payable	(18,132)
Increase in Prepaid Expense	12,710
	<u>\$10,958,435</u>

The accompanying notes are an integral part of these financial schedules.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1. BUDGET COMMITTEE

The chairmen of the boards of county commissioners located within the Public Health District serve as the Budget Committee of the Public Health District. The District board will submit the budget to the Budget Committee. The budget is prepared on a cash basis. The budget for the Public Health District shall be approved by a majority of the Budget Committee. Any adjustments of the budget are approved by the Board of Health.



Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

Jeff Youtz
Director

June 14, 2010

Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial
Statements Performed in Accordance
with Government Auditing Standards

Russell Duke, Director
Central District Health Department (IV)
707 N. Armstrong Place
Boise, ID 83704

Steven F. Scanlin, Chairman
District IV Board of Health
P.O. Box 2631
Boise, ID 83701-2631

Dear Mr. Duke and Mr. Scanlin:

We have audited the financial statements of the governmental activities, major fund, and the remaining fund information of the Central District Health Department (IV) as of and for the years ended June 30, 2008 and 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Mike Nugent, Manager
Research & Legislation

Cathy Holland-Smith, Manager
Budget & Policy Analysis 17

Don H. Berg, Manager
Legislative Audits

Glenn Harris, Manager
Information Technology

Statehouse, P.O. Box 83720
Boise, Idaho 83720-0054

Tel: 208-334-2475
www.legislature.idaho.gov

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

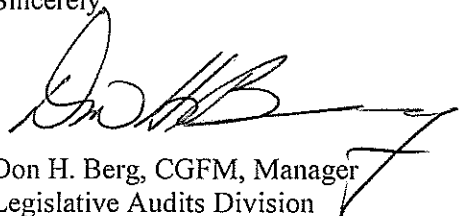
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

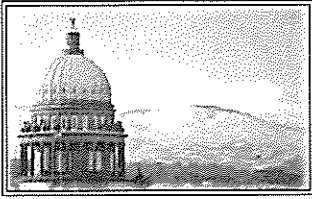
We noted certain other matters that we have reported to the management of the District in a separate letter.

This report is intended solely for the information and use of the State of Idaho, Central District Health Department (IV), and the District's Board, and is not intended to be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink, appearing to read 'Don H. Berg', with a long horizontal line extending to the right.

Don H. Berg, CGFM, Manager
Legislative Audits Division



Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

Jeff Youtz
Director

June 14, 2010

Independent Auditor's Report on Compliance with
Requirements Applicable to Each Major Program
and on Internal Control Over Compliance in
Accordance with *OMB Circular A-133*

Russell Duke, Director
Central District Health Department (IV)
707 N. Armstrong Place
Boise, ID 83704

Steven F. Scanlin, Chair
District IV Board of Health
P.O. Box 2631
Boise, ID 83701-2631

Dear Mr. Duke and Mr. Scanlin:

Compliance

We have audited the compliance of the Central District Health Department (VI) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements, and performing such other procedures that we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009.

Mike Nugent, Manager
Research & Legislation

Cathy Holland-Smith, Manager
Budget & Policy Analysis

Don H. Berg, Manager
Legislative Audits

Glenn Harris, Manager
Information Technology

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct, material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on the internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management of Central District Health Department (IV), and the federal awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink, appearing to read 'Don H. Berg', with a stylized flourish extending to the right.

Don H. Berg, CGFM, Manager
Legislative Audits Division

STATE OF IDAHO
PUBLIC HEALTH DISTRICT (IV)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
FOR THE FISCAL YEARS ENDED JUNE 30, 2008 AND 2009

Program Title	Federal CFDA #	Contract Number	Pass- Through Entities	Federal Expenditures FY 08	Federal Expenditures FY 09	Total Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
WIC Administration	10.557	HC557600	1	\$35,516	\$0	\$35,516
WIC Administration	10.557	HC585300	1	909,852	88,722	998,574
WIC Administration	10.557	HC626300	1	0	1,050,113	1,050,113
Total CFDA 10.557				<u>\$945,368</u>	<u>\$1,138,835</u>	<u>\$2,084,203</u>
NSIP	10.570	FY 07/08	2	\$40,523	\$0	\$40,523
NSIP	10.570	FY 08/09	2	67,804	53,405	121,209
NSIP	10.570	FY 09/10	2	0	23,907	23,907
Total 10.570				<u>\$108,327</u>	<u>\$77,312</u>	<u>\$185,639</u>
Total U.S. DEPARTMENT OF AGRICULTURE				<u>\$1,053,695</u>	<u>\$1,216,147</u>	<u>\$2,269,842</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>						
Public Drinking Water	66.432	S202	3	\$59,404	\$61,565	\$120,969
Total 66.432				<u>\$59,404</u>	<u>\$61,565</u>	<u>\$120,969</u>
TOTAL ENVIRONMENTAL PROTECTION AGENCY				<u>\$59,404</u>	<u>\$61,565</u>	<u>\$120,969</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
MRC	93.008	MRC07062	4	\$432	\$8,146	\$8,578
MRC	93.008	MRC080229	4	0	5,000	5,000
Citizens Corp Grant	93.008	06HGSP	5	2,432	0	2,432
Total 93.008				<u>\$2,864</u>	<u>\$13,146</u>	<u>\$16,010</u>
Congregate Meals	93.045	D-1-07	2	\$72,285		\$72,285
Congregate Meals	93.045	D-1-08	2	71,632	47,457	119,089
Congregate Meals	93.045	D-1-09	2	0	47,375	47,375
Home Delivery Meals	93.045	D-1-07	2	93,068	0	93,068
Home Delivery Meals	93.045	D-1-08	2	97,025	67,477	164,502
Home Delivery Meals	93.045	D-1-09	2	0	84,537	84,537
Total 93.045				<u>\$334,010</u>	<u>\$152,014</u>	<u>\$580,856</u>
TB/Directly Observed Therapy	93.116	HC567600	1	\$440	\$0	\$440
TB/Directly Observed Therapy	93.116	HC597600	1	14,371	0	14,371
TB/Directly Observed Therapy	93.116	HC631800	1	0	12,809	12,809
Total 93.116				<u>\$14,811</u>	<u>\$12,809</u>	<u>\$27,620</u>
Family Planning (X)	93.217	HC576000	1	\$181,748		\$181,748
Family Planning (X)	93.217	HC604900	1	0	194,348	194,348
Total 93.217				<u>\$181,748</u>	<u>\$194,348</u>	<u>\$376,096</u>

The accompanying notes are an integral part of this financial schedule.

STATE OF IDAHO
PUBLIC HEALTH DISTRICT (IV)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
FOR THE FISCAL YEARS ENDED JUNE 30, 2008 AND 2009

Program Title	Federal CFDA #	Contract Number	Pass- Through Entities	Federal Expenditures FY 08	Federal Expenditures FY 09	Total Federal Expenditures
Perinatal Hep B	93.268	HC638600	1	\$0	\$1,389	\$1,389
Total 93.268				\$0	\$1,389	\$1,389
Asthma Forum	93.283	HC555400	1	\$61	\$0	\$61
Asthma Forum	93.283	HC583800	1	14,000	14,000	28,000
Tobacco Use Prevention	93.283	HC543400	1	43,715	32,787	76,502
Tobacco Use Prevention	93.283	HC635600	1	0	14,502	14,502
Comprehensive Cancer Control	93.283	HC572100	1	17,000	0	17,000
Comprehensive Cancer Control	93.283	HC604200	1	0	17,000	17,000
West Nile	93.283	HC606200	1	2,273	727	3,000
West Nile	93.283	HC639700	1	0	561	561
Bioterrorism	93.283	HC556800	1	171,983	0	171,983
Bioterrorism	93.283	HC588400	1	304,372	85,377	389,749
Bioterrorism	93.283	HC612800	1	0	323,079	323,079
Bioterrorism - Epi	93.283	HC561100	1	22,165	0	22,165
Bioterrorism - Epi	93.283	HC590500	1	124,456	5,928	130,384
Bioterrorism - Epi	93.283	HC615700	1	0	128,227	128,227
Bioterrorism - Pandemic Flu	93.283	HC539900	1	127,194	0	127,194
Bioterrorism - Pandemic Flu	93.283	HC587500	1	55,009	28,170	83,179
NEDSS	93.283	HC637900	1	0	1,877	1,877
Total 93.283				\$882,228	\$652,235	\$1,534,463
HIV Prevention	93.340	HC490900	1	\$4,456	\$0	\$4,456
HIV Prevention	93.340	HC599600	1	28,217	6,720	34,937
HIV Prevention	93.340	HC633900	1	0	31,097	31,097
Total 93.340				\$32,673	\$37,817	\$70,490
Immunization Registry	93.558	HC577600	1	\$24,484	\$0	\$24,484
Immunization Registry	93.558	HC595400	1	45,865	0	45,865
Immunization Registry	93.558	HC610300	1	0	47,315	47,315
Total 93.558				\$70,349	\$47,315	\$117,664
Refugee RMA	93.566	REF 2007	6	\$22,903	\$0	\$22,903
Refugee RMA	93.566	REF 2008	6	74,454	24,920	99,374
Refugee RMA	93.566	REF 2009	6	0	120,803	120,803
Total 93.566				\$97,357	\$145,723	\$243,080
Child Care	93.575	WC056100	1	\$147,280	\$160,915	\$308,195
Total 93.575				\$147,280	\$160,915	\$308,195

The accompanying notes are an integral part of this financial schedule.

STATE OF IDAHO
PUBLIC HEALTH DISTRICT (IV)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
FOR THE FISCAL YEARS ENDED JUNE 30, 2008 AND 2009

Program Title	Federal CFDA #	Contract Number	Pass- Through Entities	Federal Expenditures FY 08	Federal Expenditures FY 09	Total Federal Expenditures
Refugee ORR	93.576	REF 2008	6	\$13,439	\$1,561	\$15,000
Refugee ORR	93.576	REF 2009	6	0	15,000	15,000
Total 93.576				\$13,439	\$16,561	\$30,000
Bioterrorism - HRSA	93.889	HC520300	1	\$143,765	\$0	\$143,765
Bioterrorism - HRSA	93.889	HC556200	1	420,660	0	420,660
Bioterrorism - HRSA	93.889	HC589200	1	195,622	254,796	450,418
Bioterrorism - HRSA	93.889	HC613400	1	0	365,878	365,878
Total 93.889				\$760,047	\$620,674	\$1,380,721
HIV Surveillance	93.944	HC566900	1	\$1,194	\$0	\$1,194
HIV Surveillance	93.944	HC598300	1	2,513	987	3,500
HIV Surveillance	93.944	HC631000	1	0	3,486	3,486
Total 93.944				\$3,707	\$4,473	\$8,180
STD Prevention	93.977	HC490900	1	\$2,022	\$0	\$2,022
STD Prevention	93.977	HC599600	1	31,970	29,961	61,931
STD Prevention	93.977	HC633900	1	\$0	\$64,458	\$64,458
Total 93.977				\$33,992	\$94,419	\$128,411
Diabetes Education	93.988	HC569900	1	\$13,929	\$0	\$13,929
Diabetes Education	93.988	HC602700	1	7,751	9,249	17,000
Diabetes Education	93.988	HC636800	1	0	5,975	5,975
Total 93.988				\$21,680	\$15,224	\$36,904
Injury Prevention	93.991	HC563400	1	\$16,364	\$0	\$16,364
Injury Prevention	93.991	HC593500	1	43,458	8,042	51,500
Injury Prevention	93.991	HC622800	1	0	43,643	43,643
Total 93.991				\$59,822	\$51,685	\$111,507
Family Planning (V)	93.994	HC591400	1	\$106,166	\$0	\$106,166
Family Planning (V)	93.994	HC628000	1	0	108,915	108,915
Oral Health	93.994	HC560500	1	1,647	0	1,647
Oral Health	93.994	HC592400	1	30,996	27,381	58,377
Communicable Disease (MCH)	93.994	HC562800	1	5,375	0	5,375
Communicable Disease (MCH)	93.994	HC586100	1	24,057	11,656	35,713
Communicable Disease (MCH)	93.994	HC623700	1	0	31,011	31,011
Total 93.994				\$168,241	\$178,963	\$347,204
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				\$2,824,248	\$2,399,710	\$5,318,790

The accompanying notes are an integral part of this financial schedule.

STATE OF IDAHO
PUBLIC HEALTH DISTRICT (IV)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
FOR THE FISCAL YEARS ENDED JUNE 30, 2008 AND 2009

Program Title	Federal CFDA #	Contract Number	Pass- Through Entities	Federal Expenditures FY 08	Federal Expenditures FY 09	Total Federal Expenditures
DEPARTMENT OF HOMELAND SECURITY						
West Nile Virus BHS Grant	97.042	2006-EM-E6-00200	7	\$671	\$0	\$671
Total 97.042				\$671	\$0	\$671
TOTAL DEPARTMENT OF HOMELAND SECURITY				\$671	\$0	\$671
TOTAL CASH EXPENDITURES				\$3,938,018	\$3,677,422	\$7,710,272
<u>NON - CASH EXPENDITURES</u>						
WIC Food Vouchers	10.557			\$4,252,639	\$4,741,540	\$8,994,179
Contraceptives	93.217			150,742	119,140	269,882
TOTAL NON - CASH EXPENDITURES				\$4,403,381	\$4,860,680	\$9,264,061
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$8,341,399	\$8,538,102	\$16,974,333

PASS - THROUGH ENTITY LEGEND:

- 1 = STATE OF IDAHO, DEPARTMENT OF HEALTH AND WELFARE
- 2 = SAGE COMMUNITY RESOURCES
- 3 = STATE OF IDAHO, DEPARTMENT OF ENVIRONMENTAL QUALITY
- 4 = NACCHO
- 5 = ADA COUNTY EMERGENCY MANAGEMENT
- 6 = STATE OF IDAHO, NORTH CENTRAL DISTRICT HEALTH DEPARTMENT
- 7 = STATE OF IDAHO, BUREAU OF HOMELAND SECURITY

The accompanying notes are an integral part of this financial schedule.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*.

The CFDA refers to the *Catalog of Federal Domestic Assistance*, which is a government-wide list of individual federal programs.

NOTE 2. WIC FOOD VOUCHERS

The District uses the Idaho Department of Health and Welfare's determination of eligibility, if one exists, for clients participating in the Women, Infants and Children (WIC) program. If a client has not applied through the Idaho Department of Health and Welfare for eligibility in federal programs, the District determines eligibility for participation in the WIC program using federal guidelines specific to the program.

Within the WIC program, the District distributes food checks to clients and controls unissued food checks. The Idaho Department of Health and Welfare issues and redeems food checks, controls the food checks issued, and reviews program compliance. The value of the food checks redeemed through the Idaho Department of Health and Welfare during fiscal years 2008 and 2009 was \$4,252,639 and \$4,741,540, respectively.

NOTE 3. VALUE OF CONTRACEPTIVES

The District provides contraceptives on a sliding fee scale to eligible clients of the federally funded Reproductive Health Clinic. The Idaho Department of Health and Welfare purchases the contraceptives and supplies them to the District as needed. The value of the contraceptives was \$150,742 in fiscal year 2008 and \$119,140 in fiscal year 2009.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Basic Financial Statements

1. The independent auditor's report on the basic financial statements expressed an unqualified opinion.
2. The audit of the basic financial statements did not disclose a significant deficiency that was considered a material weakness.
3. The audit did not disclose any instances of noncompliance considered material to the basic financial statements.

Federal Awards

4. The audit did not disclose any significant deficiencies in internal control over major programs.
5. The independent auditor's report on compliance for major programs expressed an unqualified opinion for all major programs.
6. The audit did not disclose any findings that must be reported in accordance with criteria in Section 510a of *OMB Circular A-133*.
7. Major programs are listed below:

<u>Program Title</u>	<u>CFDA Number</u>
WIC	10.557
Nutrition Services	93.045

8. The dollar threshold used to distinguish between Type A and Type B programs was \$509,230.
9. Central District Health Department (IV) did not qualify as a low-risk auditee as defined by *OMB Circular A-133*.

SECTION II. FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS

NONE

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

AGENCY RESPONSE



CENTRAL
DISTRICT
HEALTH
DEPARTMENT

MAIN OFFICE • 707 N. ARMSTRONG PL. • BOISE, ID 83704-0825 • (208) 375-5211 • FAX 327-8500

"To improve the health of our communities by identifying sustainable solutions to community health issues, developing partnerships for implementation of strategies, and demonstrating our success through measurement of outcomes."

June 30, 2010

Mr. Don Berg, Manager
Legislative Audits Division
STATEHOUSE MAIL

Re: Audit Report

Dear Mr. Berg:

We have reviewed the audit report for fiscal years 2008 and 2009 and we are pleased with the results.

Please thank your team for their work on this audit. They worked well with our staff and were courteous and professional throughout the process.

We will continue to work hard to achieve our vision of healthy people in healthy communities while remaining accountable to Idaho citizens for the resources they have placed in our trust.

Sincerely,

Russell A. Duke
Director

Serving Valley, Elmore, Boise, and Ada Counties

Ada / Boise County Office
707 N. Armstrong Pl.
Boise, ID 83704
Enviro. Health: 327-7499
Reproductive Health: 327-7400
Immunizations: 327-7450
WIC: 327-7488
FAX: 327-8500

Elmore County Office
520 E. 8th St. North
Mountain Home, ID 83647
Enviro. Health: 587-9225
Family Health: 587-4407
WIC: 587-4409
FAX: 587-3521

27

Valley County Office
703 N. 1st St.
McCall, ID 83638
Ph. 634-7194
FAX: 634-2174

PRIOR FINDING AND RECOMMENDATION

The prior report covered the fiscal years ended June 30, 2006 and 2007, and included one finding and recommendation. The following explains the status of this finding and recommendation.

FINDING 2007S-01 – Internal control weaknesses exist in the process for preparing the financial statements and note disclosures.

We recommended that the District review the internal controls over preparation of the financial statements and notes and strengthen the process as appropriate. The review should include the process for ensuring the completeness and accuracy of the financial statements and note disclosures.

The District has implemented several new internal controls and strengthened others to ensure the completeness and accuracy of the financial statements and note disclosures. **Status – CLOSED**

APPENDIX

HISTORY

The following is a chronological history of the basic health care services that the State has provided to the public.

- 1907 – The State Board of Health and counties that had local boards of health were statutorily authorized joint responsibility for public health.
- 1947 – A public health district law was enacted that permitted two or more counties to establish a public health district. Participation in the forming of the health districts was voluntary
- 1970 – The legislature established a law that created seven mandatory public health districts. In Central District Health (IV), the counties designated were Ada, Boise, Elmore, and Valley.
- 1976 – Legislative intent was expressed that the health districts are not State agencies, and that they be recognized as authorized governmental entities.
- 1986 – Idaho Code was amended to allow district health departments to promulgate rules and regulations without the State Board of Health's approval.
- 1993 – The legislature clarified the need for district health departments to use the Idaho Administrative Procedures Act for fees and rules.

PURPOSE

The purpose of the District is to provide and support public health education and administration, family and child health, environmental health, and community health surveillance; to preserve and protect public health; to prevent disease, disability, and premature death; to promote healthy lifestyles; and to protect and promote the health and quality of our environment.

STATUTORY AUTHORITY

The statutory authority for the District is found in Idaho Code, Title 39, Chapter 4.

ORGANIZATION

The District is supervised by a seven-member board appointed by the county commissioners of the counties served. Board members serve staggered five-year terms, and are reimbursed \$75 per working day plus all necessary travel expenses. The board appoints a director to administer and manage day-to-day activities of the District. Three physicians provide medical consulting services to the District.

The District is organized into five major sections:

1. Administration. Provides day-to-day managerial support (budget, accounting, human resources, facilities, and communication services) for the District.
2. Epidemiology, Surveillance, and Emergency Preparedness. Conducts communicable disease investigations and provides research and data analysis, assessment, monitoring, and reporting on community health. This section also provides leadership and coordination regarding bioterrorism events or other public health threats and emergencies.
3. Family Health Services. Provides services such as reproductive health, immunization, sexually transmitted infection (STI) treatment, and WIC (Women, Infants, and Children's nutrition program).

4. Community Health Promotion and Education. Provides general nutrition; safety/injury prevention; and educational services, including cholesterol screening, diabetes awareness, tobacco use prevention, dental health promotion, and physical activity promotion.
5. Environmental Health. Provides control over sewer disposal, water supplies, food protection, and health and safety in child care centers.

The District's central office is in Boise, with two satellite offices in McCall and Mountain Home. An organizational chart is included.

STAFFING

At the end of fiscal year 2009, the District had 173 employees. Approximately one-third of these employees were either temporary or part-time.

FUNDING

Financing for the District comes from State General Fund appropriations; county contributions; Tobacco Millennium Fund appropriations; federal, State, and private contracts; and fees and donations. The amount included in the District's General Fund appropriation request is determined by Idaho Code, Section 39-425. The Idaho legislature sets the District's annual General Fund appropriation, which can be more or less than the amount requested.

ORGANIZATION OF CENTRAL DISTRICT HEALTH DEPARTMENT

"To improve the health of our communities by identifying sustainable solutions to community health issues, developing partnerships for implementation of strategies, and demonstrating our success through measurement of outcomes."

CENTRAL DISTRICT HEALTH DEPARTMENT - BOARD OF HEALTH

DISTRICT DIRECTOR* - Russell A. Duke

DEPUTY DIRECTOR* - Cindy Trail



*In the absence of the District Director, all his direct reports will report directly to the Deputy Director. In the absence of the Deputy Director, all her direct reports will report directly to the District Director.

OFFICE OF ADMINISTRATION

Donna Mahan

Provide support to Director and Board of Health and oversight of public records.

OFFICE OF COMMUNICATIONS

Dave Fotsch

Provide all internal and external communication.

OFFICE OF FACILITIES

Guadalupe Sanchez

Provide oversight of building, maintenance, repair and remodeling.

OFFICE OF FINANCIAL SUPPORT

Meghan Muguira

Provide fiscal accountability for the organization.

OFFICE OF HUMAN RESOURCES

Janet Peck

Provide human resource oversight for the organization.

OFFICE OF INFORMATION SYSTEMS AND TELECOMMUNICATION

Margaret Ross

Provide information and communication systems for the organization.

OFFICE OF COMMUNICABLE DISEASE CONTROL AND PUBLIC HEALTH PREPAREDNESS

Nikki Sakata

Provide analysis, monitoring and reporting of the health of the community to limit the spread of communicable diseases. Coordinate activities to prepare for, and respond to, health threats and emergencies.

OFFICE OF HEALTH SERVICES FOR SENIORS

Angela Spain

Provide health education and meals to individuals and families living in our communities.

OFFICE OF IMMUNIZATIONS, CHILDRENS SERVICES AND INTERNATIONAL HEALTH

Teresa Phillips

Provide clinical and educational preventative health services.

OFFICE OF REPRODUCTIVE HEALTH SERVICES

Lorraine Fortunati

Provide clinical and educational reproductive health services.

OFFICE OF Women, Infants and Children (WIC)

Karen Martz

Provide supplemental foods and nutrition education to pregnant and breastfeeding women and children up to five (5) years of age.

OFFICE OF COMMUNITY HEALTH PROMOTION AND EDUCATION

Nancy Rush

Provide opportunities for community partnerships to promote health through education and screening to prevent and reduce risk of disease and injury.

OFFICE OF ENVIRONMENTAL HEALTH

Rob Howarth

Provide public health education and regulation to ensure a safe and healthy environment.